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April 12, 2018

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, DC 20554

Re: WC Docket No. 17-365

Domestic Section 214 Application Filed for the Transfer of Control of Peoples Mutual Telephone Company ("PMTTC") and Peoples Mutual Long Distance Company ("PMLDC") to RiverStreet Management Services, LLC (the "Application")

Ex Parte Presentation

Dear Madam Secretary:

This letter provides additional information for the Commission's consideration in the referenced proceeding, and requests the opportunity to discuss this information and its impact on the proceeding with representatives of the Competition Policy Division and the Office of the Bureau Chief. In addition, RiverStreet Management Services, LLC ("Transferee" or "RiverStreet") and Consolidated Communications Holdings, Inc. ("Transferor") (collectively, "Applicants") seek the Commission's guidance in identifying any specific information, concerns or issues that may be delaying consideration and grant of the Application. Applicants have obtained all other regulatory approvals required to close the transaction and are prepared to close as early as April 30, 2018.

As noted in the March 15, 2018, meeting between Applicants' representatives and Commission staff, prompt approval of the Application would benefit the public by allowing RiverStreet to bring about a rapid and orderly completion of the broadband buildout commitments within the PMTTC service area to CAF II supported locations, which is currently more than 90% complete. Additionally, RiverStreet noted that, in light of its involvement in a number of other pending and proposed transactions, prompt grant of the Application is critical to

its ability to efficiently integrate operations. When asked if there were any questions or concerns, Staff responded that there were none.

Nonetheless, given that the Application is deemed to be ineligible for streamlined processing because it is “more complex than usual,”¹ Applicants have attempted to determine whether there exists a more general Commission concern that affects this proceeding. In reviewing other pending non-streamlined proceedings considering approval for a transfer of control, Applicants discern a focus on the acquisition of price-cap companies by legacy carriers. The Application addresses such issues arising from this situation.

The Application identifies the distinct regulatory treatment of PMTC as a price cap company, and RiverStreet specifically stated that it seeks no change in the regulatory status quo of PMTC in connection with the approval of the transaction. In addition, RiverStreet confirmed that it would fully honor PMTC’s broadband deployment commitment, including the implementation of the Commission’s decision on a pending waiver petition filed on behalf of PMTC in March of 2017 (Application at p. 17).

Applicants’ review of other open proceedings also reveal a general Commission concern that the introduction of hybrid operations (i.e., both model and rate-of-return operations) may result in an increase in common costs to be recovered by rate-of-return companies. As noted in the Application, the geographic proximity of the PMTC exchanges to the RiverStreet management team will, in fact, allow for operational efficiencies (Application at pp. 17-18). Following consummation of the proposed transaction, RiverStreet does not contemplate hiring additional personnel or otherwise increasing the cost of PMTC operations, anticipating that the RiverStreet management allocations will be less than those currently assessed by Transferor. Moreover, adhering to the cost separations principles established by the Commission, RiverStreet contemplates that post-purchase management integration will result in the allocation of relatively steady costs over a larger customer base, likely reducing, rather than increasing, the operational expenses attributable to the rate-of-return companies.

Applicants respectfully request the opportunity to discuss the Application and the matters raised herein with representatives of the Competition Policy Division and the Office of the

¹ Public Notice, *Domestic 214 Application Filed for the Transfer of Control of Peoples Mutual Telephone Company and Peoples Mutual Long Distance Company to RiverStreet Management Services, LLC, Non-Streamlined Pleading Cycle Established*, DA18-48, p. 2 (Jan. 16, 2018).

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Bureau Chief. In addition, Applicants would appreciate the Commission's specification of any other matters that may be of concern but have, as yet, not been identified to the Applicants.

Respectfully submitted,

/s/ Sylvia Lesse
Sylvia Lesse

Counsel for RiverStreet

and

/s/ Russell M. Blau
Russell M. Blau

Counsel for Transferor, PMTC and PMLDC

cc: (via email)

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